

## TDB a premier institution promoting "BioVentures"

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With the mantra of "Enabling Commercialization", the Technology Development Board has played a proactive role in nurturing the nascent biotechnology industry in the country.

To give impetus to commercialization of indigenous technologies, the Government of India constituted the Technology Development Board (TDB) in September 1996, under the Technology Development Board Act, 1995. The Board provides financial assistance in the form of soft loan, equity or grant-in-aid to the industrial concerns and other agencies in the development and commercial application of indigenous technology or adapting imported technology to wider domestic applications. With the mantra of "Enabling Commercialization", the Board has played a proactive role in nurturing the nascent biotechnology industry in the country by making funds available for the commercialization of Indian biotech products and technologies. The success stories of Shantha Biotechnics, Bharat Biotech and many other companies in this sector would be incomplete without the support of the TDB.

In fact, Shantha Biotechnics was the first commercial enterprise with which the Board had signed an agreement for providing loan assistance to develop and commercialize Hepatitis B vaccine way back in 1997. Later in 2002, it assisted Shantha in developing India's first recombinant human Interferon - Shanferon. Similarly, it helped Bharat Biotech International to develop Revac-B (Recombinant vaccine for Hepatitis-B) and Indikinase (recombinant Streptokinase), Ranbaxy for indigenous development and application of anti-infectives, Biocon in the production of an immuno-suppressant through a unique fermentation technology. The list is long.

Till date, the TDB has invested in 16 states in the country and funded a broad spectrum of 140 projects. Of this about 42

(more than 1/3) are in the field of drugs and pharma including the biopharma sector. In terms of investment in companies, this amounts to Rs 200 crore out of a total of Rs 600 crore (nearly 30 percent of its total investment) in this segment. Looking at the profile of beneficiaries, especially in the biotech space, it clearly emerges that the TDB is a champion of first generation technopreneurs. More than 60 percent of its protégés are first generation entrepreneurs out of which nearly 75 percent have proved to be extremely successful.

## **"TDB's role encompasses that of a venture capitalist and a financial institution but is still broader in scope"**

In a chat with with BioSpectrum, Dr H Purushottam, advisor, TDB, outlines the unique features of the Board and its various initiatives.

### **What is the mandate of the Technology Development Board?**

The Technology Development Board is the first organization of its kind within the government framework with the sole objective of translating the fruits of indigenous research into commercial products and services. The board plays a proactive role by encouraging commercial enterprises to take up technology-oriented projects.

It offers soft loans to the Small and Medium Enterprises (SMEs), to technopreneurs, for commercializing new innovative indigenous technologies, for adapting foreign technologies to Indian conditions in terms of raw material and process.

### **What are the unique features of the Board?**

The TDB is a unique institution operating in this arena in the country. Its role encompasses that of a venture capitalist and a financial institution but is still broader in scope. Besides the financial assistance, it offers handholding, techno marketing, mentoring, technical assistance and an enabling environment to the organization. Thus the board offers the best of both worlds to an entrepreneur.

The TDB offers brand equity, which is evident from the fact that by leveraging its funds, the board has been able to mobilize about Rs 2,000 crore for the entrepreneurs from banks and other financial institutions.

Secondly, the board funds about 50 percent of the total project cost and offers soft loans at the rate 5 percent simple interest in comparison to 13-14 percent interest charged by banks and financial institutions. The board does not levy processing, administrative or commitment charges. There is no levy of royalty too.

The board has given a great boost to the first generation entrepreneurs and has created many success stories. At present we are collaborating with financial institutions, state financial cooperatives, commercial banks, industrial cooperatives and venture capitalists to leverage on TDB's techno financial resources to have a large impact on the society.

### **What is the biggest strength of the TDB?**

The biggest strength of the TDB is its highly technically competent project evaluation committee, project monitoring committee, and the committee of experts.

Before the approval of a project, the board does a technical appraisal of the submitted proposal. This is done so thoroughly that it is considered a benchmark. The success rate of screening of project proposals by the TDB is just 35-40 percent because of its stringent and scientific approval. Most of the banks and financial institutions to which the project is later submitted for further assistance, do not bother to do the technical appraisal again. The TDB has experts like Dr NK Ganguly, director general, ICMR, Prof G Padmanabhan, honorary professor, IISc, on its board, which help in the evaluation and feasibility study of projects. This is the primary reason for the high rate of success of the TDB and its brand equity.

### **What is the time frame for approval of projects?**

The time taken for approval ranges from 2-4 months depending on the size of the funding required and the completeness of the application. If the project funding is to the tune of Rs 5 crore or less, then the time required for approval is about two months and if the funding required is between Rs 5 and 20 crore, then the time taken for approval is about 4 months.

### **What are the new initiatives launched by the TDB?**

To leverage its investment, the TDB has joined hands with the private venture capitalists to provide equity to start-ups or companies in the growth phase. It is a part of the Rs 150-crore APIDC Venture Capital Fund, Hyderabad exclusively focused on biotechnology and the board's share is about Rs 30 crore in it. The TDB is also a part of the Rs 700-crore UTI VF's Ascent India Fund and Rs 115 crore UTI-ITUVS, Bangalore, which concentrate on IT, telecom, biotechnology, pharma and healthcare. These funds help in identifying potential entrepreneurs and start-ups.

Another initiative is to provide seed funding to the Technology Business Incubators in the country. For this, five incubators have been selected and Rs one crore has been made available to each of them through the National Science and Technology Entrepreneur Development Board. This money shall be used by the incubator manager to help some of the potential technologies to arrive at the proof of concept stage. The shortlisted incubators are Vellore Institute of Technology, Vellore; JSS Academy, Noida; IIM Ahmedabad; IIT Mumbai; and Science and Technology Entrepreneur Park (STEP) Trichy. This initiative will help the entrepreneurs to arrive at the experimental proof of concept stage in their projects.

We have recently signed an MoU recently with 'Anvar', France, an agency similar to the TDB in India, for synergizing on efforts in commercializing technologies in both the countries.

The board has launched an aggressive outreach program too. The TDB along with the DST are coordinating the "Technology Day" award function for entrepreneurs for successful commercialization of indigenous technology.

*Rolly Dureha*